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State Department review completed

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GENERAL

1. US and UK to coordinate economic assistance to Eastern Europe--The State Department has informed Embassy London that the US had left the matter of the \$10,000,000 UK loan to Czechoslovakia "entirely to British decision," but that in the future, in view of Secretary Byrnes' policy on US economic assistance in Europe [redacted]

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[redacted] the US and UK have agreed to "coordinate their economic assistance program in Eastern Europe.

2. McNutt proposal on Philippine base issue--In order to counteract the growing Philippine impression that the US is demanding base rights and other local privileges and that the Philippine Government is yielding unwillingly to these demands, Ambassador McNutt proposes to declare in an Armistice Day address that the US will not ask concessions from a weaker power against its will. He proposes to add that, if the Philippine Government and people decide that the presence of US troops is a burden outweighing the security it provides, he is certain the US will reconsider its commitments and withdraw from current discussions.

3. British estimate of Czech Vice Foreign Minister--A British Foreign Office official has told Embassy London that the "attitude and approach" of Czech Vice Foreign Minister Clementis (during an interview with Attlee) was typical of "Soviet stooges in satellite Governments," and that Clementis is being sent to the UN to keep non-Communist Foreign Minister Masaryk "in line."

4. US Minister suggests US urge wider autonomy for Indochina--US Minister Bangkok reports [redacted]

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[redacted] is impressed with the strong desire of Laotians for independence or at least autonomy. Minister Stanton suggests that, in view of US good offices in effecting the settlement of the Franco-Siamese border dispute, it would be opportune now for the US to urge France to grant a wide measure of autonomy to native peoples in Indochina, as a step toward encouraging stability in Southeast Asia.

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EUROPE

5. **POLAND:** Mikolajczyk's views on elections--Mikolajczyk has told US Charge Keith that if the Government continues to arrest Peasant Party candidates and members at the present rate, it will be almost impossible for the Party to place candidates in the elections. Mikolajczyk is considering an appeal to the Yalta Powers and later may boycott the elections and "appeal for some action by the Security Council."
6. **GERMANY:** USSR denies "forced" labor removal--Murphy reports that, after insistent US and UK questioning, the Soviet representative on Coordinating Committee has reluctantly and unconvincingly denied the use of force in recent deportations of German skilled labor to the Soviet Union. Agreement was reached that the Coordinating Committee at its 9 November meeting should approve a public statement opposing the use of force in recruiting German labor for service abroad.
7. **SPAIN:** Progress of opposition to Franco--US Charge Madrid confirms reports that certain Spanish leftists have reached an agreement with the liberal monarchists, but points out that an assessment of the "potentially effective support" of these groups within Spain is difficult. Action against Franco still depends upon convincing Army and other conservative elements that the advantages of eliminating the present regime outweigh the obvious risks. The Charge, however, notes "progress" in coalescing rightist and leftist oppositions to Franco and believes that Syndicalists, Socialists, and Republicans especially have made "important" concessions of "doctrinaire points of view."

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